## REMARKS

In view of the foregoing amendments and following remarks, reconsideration of this application and early allowance of the application is respectfully requested.

Claims 3, 4, 7, 8 and 9-12 are currently pending in this application. Claims 3, 4, 7 and 8 are allowed. Claims 1, 2, 5 and 6 were rejected under 35 U.S.C. §102(e) as being anticipated by Nichols et al. U.S. Patent No. 6,354,491 for the reasons set forth on pages 2-5 of the Office Action. To place the application in form for immediate allowance, Applicant has now canceled claims 1, 2, 5 and 6 without prejudice to the filing of one or more continuing applications. New independent claims 9 and 11, and claims 10 and 12 which, respectively, depend therefrom, have been added to provide protection of appropriate scope. No new matter has been introduced.

As set forth in detail in the specification and drawings of the present application, Applicant's invention is directed to a system and method for providing a comprehensive database source of information as to whether or not checks drawn on relevant accounts in the past have cleared and were paid. The database is used to verify and authenticate negotiable checks drawn on any account from any financial institution.

The database is generated by tracking checks received for processing and contains data representative of known accounts that are "in good standing" and data representative of accounts that are either closed or known to be "not in good standing." The database includes records of checking accounts at all financial institutions irrespective of whether a given institution contributed any data.

The present invention differs significantly from conventional check acceptance databases in that it does not require either the check writer's bank or any other entity to submit

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account data. Rather, a financial institution or other entity operating the system and method according to the present invention collects data from all of the checks it receives from its depositors or customers for payment or processing.
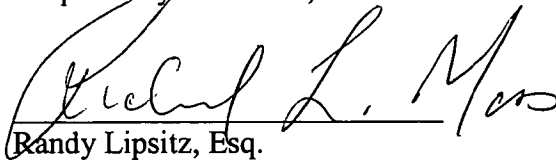
In one aspect of the method and system according to the present invention, the financial institution presenting the check for payment to a paying bank can estimate the number of days it will take to be notified that the check is being returned unpaid by the paying bank. Once that number of days has passed, and the paying bank has not returned the check, the checking account status can be updated to show that the account is "in good standing", i.e., checks are being paid against that account.

As recognized by the Examiner in the allowance of claims 3, 4, 7 and 8, the foregoing feature of the present invention is not taught or suggested in the prior art of record. New claims 9-12 have been added to more particularly point out and distinctly claim the foregoing feature and to provide protection of appropriate scope. Notice to the effect that claims 9-12 are allowable is respectfully requested.

The Examiner is invited to contact Applicant's undersigned attorneys at the telephone number set forth below if it will advance the prosecution of this case.

No fee is believed due with this Response other than the $950.00 fee associated with the Petition for a Three-Month Extension of Time submitted herewith. Please charge any fee deficiency and credit any overpayment to the undersigned attorney's Deposit Account No. 50-0540.

Respectfully submitted,

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